

Message Text

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63

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 LAB-04

SIL-01 /103 W

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R 071730Z DEC 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 9052

C O N F I D E N T I A L MEXICO 15394

E.O. 11652: GDS

TAGS: ENRG, EALR, ELAB, MX

SUBJ: PEMEX AND CORRUPTION

1. IN HIS FIRST PUBLIC REMARKS SINCE TAKING OFFICE, PEMEX DIRECTOR GENERAL JORGE DIAZ SERRANO MADE A STRONG ATTACK ON CORRUPTION WITHIN PEMEX DURING THE ANNUAL MEETING OF THE PETROLEUM WORKERS UNION. HE PROMISED TO CLEAN I UP FROM THE TOP AND CALLED ON THE UNION TO HELP CLEAN IT UP FROM THE BOTTOM. THE NEW UNION LEADER REPLIED BY CALLING FOR A FIVE-YEAR JOB SUSPENSION FOR ANYONE GUILTY OF SELLING POSITIONS IN THE COMPANY.

2. LOCAL UNION LEADERS HAVE TRADITIONALLY EARNED CONSIDERABLE INCOME BY AWARDING PERMANENT POSITIONS TO THE HIGHEST BIDDER AND BY CONTROLLING PROMOTIONS AND TRANSFERS. GAINING PERMANENT EMPLOYMENT WITH PEMEX ENTITLES ONE TO A SUBSTANTIAL PENSION AND OTHER LUCRATIVE FRINGE BENEFITS THAT ARE NOT AVAILABLE TO CONTRACT PERSONNEL.

3. DIAZ SERRANO STANDS A REASONABLY GOOD CHANCE OF ROOTING OUT CORRUPTION WITHIN PEMEX'S MANAGEMENT BY MAKING AN EXAMPLE OF THE FIRST PERSON CAUGHT WITH HIS FINGERS IN THE TILL. HIS CHANCES OF CHANGING THE WAY LOCAL UNION LEADERS CONDUCT THEIR AFFAIRS WILL BE CONSIDERABLY MORE DIFFICULT. PEMEX LABOR LEADERS HAVE BEEN SELLING JOBS SINCE THE COMPANY WAS FOUNDED. THEY
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ARE UNLIKELY TO VOLUNTARILY GIVE UP AN IMPORTANT SOURCE

OF INCOME.

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Message Attributes

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Type: TE
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